

## Message Text

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PAGE 01 BONN 12779 061439Z

43

ACTION TRSE-00

INFO OCT-01 EUR-25 ISO-00 EB-11 COME-00 XMB-07 OPIC-12

CIEP-02 FRB-02 L-03 CIAE-00 INR-10 NSAE-00 RSC-01

DRC-01 /075 W

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R 061434Z SEP 73

FM AMEMBASSY BONN

TO SECSTATE WASHDC 7269

INFO USMISSION OECD PARIS

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DEPARTMENT PASS TREASURY

E.O. 11652: N/A

TAGS: EFIN, GW

SUBJECT: CENTRAL BANK COUNCIL MEETING OF SEPTEMBER 6

1. THE CENTRAL BANK COUNCIL MET TODAY AND MADE NO CHANGES IN CREDIT POLICY. THERE HAD BEEN SOME HOPE AND EXPECTATION IN BANKING CIRCLES THAT THE CENTRAL BANK COUNCIL WOULD TAKE FURTHER ACTION TO PREVENT THE VERY LARGE SCALE FLUCTUATIONS IN GERMAN DAILY MONEY RATES. FRANKFURT BANKERS HAVE TOLD THE FINANCIAL ATTACHE THAT THE BUNDESBANK TEN-DAY SPECIAL REDISCOUNT FACILITIES ARE FAILING TO MODERATE THESE FLUCTUATIONS SINCE BANK TREASURERS ARE RELUCTANT TO TAKE UP TEN-DAY MONEY IN AS VOLATILE A MARKET AND OFTEN PREFER TO PAY UP TO 40 PERCENT FOR DAILY MONEY IN THE HOPE THAT WITHIN A FEW DAYS THE DAILY RATE WILL AGAIN BE DOWN BELOW TEN PERCENT. IN ADDITION PRIVATE BANKS STILL HAVE SOME DIFFICULTY TO ACQUIRE SUFFICIENT QUANTITIES OF THE PAPER REQUIRED BY THE BUNDESBANK FOR THE SPECIAL TEN-DAY DISCOUNTS. PRIVATE BANKERS THEREFORE HAD HOPED THAT THE CENTRAL BANK COUNCIL WOULD:

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PAGE 02 BONN 12779 061439Z

(A) ESTEND THE RANGE OF PAPERS ELIGIBLE FOR THE

SPECIAL TEN-DAY BUNDESBANK DISCOUNT TO ALSO INCLUDE  
BONDS (SEE BONN 11627);  
(B) SHORTEN THE PERIOD OF THE SPECIAL DISCOUNTS  
PREFERABLY TO ONE DAY;  
(C) AND/OR RESTORE SOME LIMITED REGULAR LOMBARD  
FACILITIES (WHICH ALLOW OVERNIGHT BORROWING AT THE  
BUNDESBANK).  
HILLENBRAND

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 SEP 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973BONN12779  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** BONN  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 69  
**Locator:** TEXT ON-LINE  
**Office:** ACTION TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 31 JUL 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <31-Jul-2001 by boyleja>; APPROVED <17-Sep-2001 by garlanwa>  
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**Review Referrals:** n/a  
**Review Release Date:** n/a  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CENTRAL BANK COUNCIL MEETING OF SEPTEMBER 6  
**TAGS:** EFIN, GE  
**To:** STATE  
**Type:** TE  
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